

Bureau of Land Management
Director's National Recreation Forum
Fair Value, Fair Return*
28 January 2004



*connectedthinking

PRICEWATERHOUSECOOPERS 

Overview

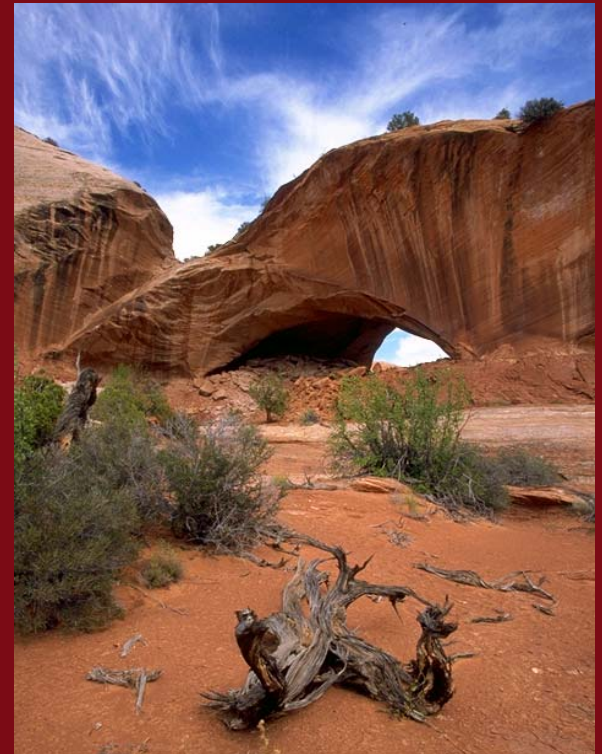
- Issue/Challenge
- Visitor Service Partnership Tools
- Revenue Management Tools

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Authorities

Visitor Service Partnership Tools

- Concession Leases
- Special Recreation Permits



Visitor Service Partnership Tools - Issue

- What is BLM's value proposition to the recreation visitor and its partners as it relates to the facilities and resource areas which it provides?

Challenge

- How can BLM ensure that its business terms provide a fair return to the agency for the opportunity it is providing?
- How can BLM and/or its partners ensure that it returns the service levels that their customers desire?



Concession Leases Similarities

Balance of Visitor Services and Resource Protection:

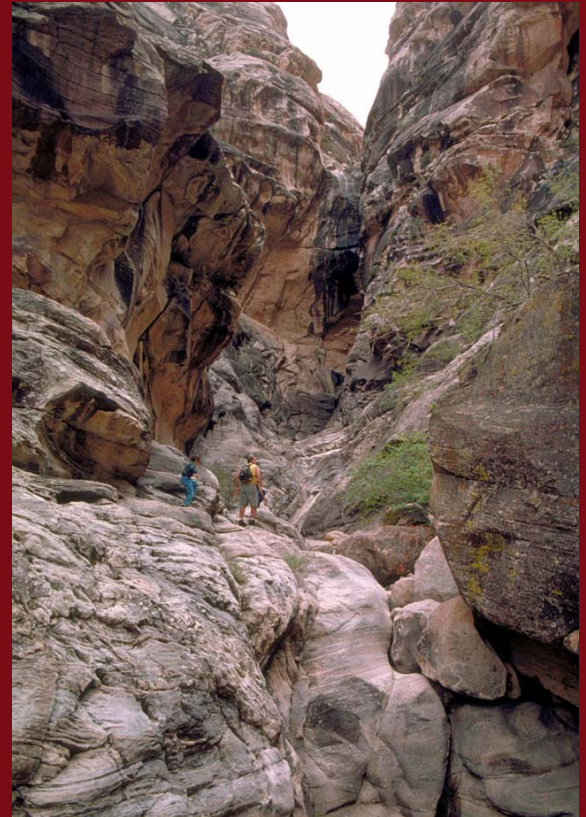
- Operating and Maintenance Standards;
- Dedicated Maintenance Funds;
- Market Based Assessment of Services;
- Annual Review of Operations including Rate Review;
- Fee Structure based upon “Opportunity for profit.”

Value to BLM and Public: Quality visitor services and asset and natural resource preservation.

Concession Leases Differences

- Preference in Renewal
- Term length
- Fees: Readjustments allowed at joint discretion every five years

Return to Agency: are fair market values being achieved?



Special Recreation Permits

Return structure

- BLM/USFS - Franchise Fee percentage of 3% of gross revenue with appropriate revenue adjustments
- USACE - 2.0 to 2.1 of gross revenue below \$200k with appropriate revenue adjustments
- NPS - 3% below \$250k, 3 to 5% up to \$500k of gross revenue
- USFWS - 5% minimum of off gross revenue

Market Observation - 3 to 5 percent appears supportable

Revenue Management Tools - Issue

- What does a recreation visitor receive from BLM for their payment of either their taxes or fees?

Challenge

- Development of a rational fee policy which leverages appropriated and non-appropriated funds

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Benefit Spectrum

Amount of
Appropriated
Funds

Public
Benefit

User
Benefit

Amount of
User Fees



Benefit Spectrum

Minnesota State Parks



	Merit Good Rating	Merit Good Percent (cost recovery through taxes)	User Fee Percent (cost recovery through fees)
Resource Management	1	80 to 100	Zero to 20
Access/Resource Protection	2	80 to 100	Zero to 20
Interpretive Services	3	60 to 80	20 to 40
Day Use	4	40 to 60	40 to 60
Overnight	5	20 to 40	60 to 80

Rating
Spectrum:

1 to 5

1 = Benefits to
Entire Public at
Large and the
Environment

5 = Direct
Benefits to the
Customer of that
particular
Service



Categories of funding for all operations are established

Category A

100% Appropriated

Mission Sustaining

Fitness Centers

Libraries

Category B

*Mix of appropriated and
generated*

Basic Community Support

Child Care Centers

Youth Centers

Outdoor Recreation

Category C

*100% Generated or
non-appropriated*

Revenue Generating

Restaurants

Golf Courses

Marinas

Fair Value, Fair Return

Parks Canada



Public Good

Goal:	Benefit Canadians as a whole and not individuals or specific groups
Financing:	Tax Dollars
Activities:	Establishment of Parks Cultural and Ecological Protection Outreach Programs On-Site Education Programs for “Multipliers” Program Management and Administration



Personal Benefit

Goal:	Consideration of the value and personal benefit that such services provide to clients
Financing:	Partial Fees
Activities:	Reception and Orientation Heritage Presentations Basic Public Safety Services Conveniences (ex: garbage collection, washrooms) Trails



Personal Benefit

Goal:	Consideration of the value and personal benefit that such services provide to clients
Financing:	Full Fees
Activities:	Camping Product Sales Swimming Boating and Dockage

Rational model for evaluation

Categories of funding for all operations and cost to deliver services would need to be understood

Category A

100% appropriated

Basic services and structures that provide a benefit to society as a whole (ex: Scenic Overlook)

Category B

Mix of appropriated and generated

Enhanced programs and services that provide a mix of societal and individual benefits (ex: Interpretive Tours, Transportation Systems)

Category C

100% generated or non-appropriated

Services that provide individual benefits (ex: Cabins/Cottages, Developed Camping, Boat Launches)

